

**BEFORE THE PUBLIC UTILITY COMMISSION
OF OREGON**

WJ8

In the Matters of

CROOKED RIVER RANCH WATER
COMPANY

**JOINT PROPOSAL REGARDING
MATTERS PENDING IN COURT
OF APPEALS**

An Investigation Pursuant to ORS 756.515 to
Determine Jurisdiction

Pursuant to the order of ALJ Patrick Power in the Prehearing Conference Memorandum dated January 26, 2011, Crooked River Ranch Water Company (“CRRWC”) and the Staff of the Public Utility Commission of Oregon (“PUC Staff”) submit this joint proposal for how the Commission should respond to the pending matters in the Court of Appeals. The undersigned counsel affirms that Assistant Attorney General Jason Jones has reviewed this document and joins in this proposal.

There currently are three petitions for judicial review pending in the Court of Appeals relating to CRRWC apart from the pending Commission proceedings in WJ8 to determine whether it will establish regulatory jurisdiction over CRRWC pursuant to ORS 757.063. In each case, the Commission withdrew the appealed orders for reconsideration pursuant to ORS 183.482(6) and has until February 22, 2011, to notify the Court of Appeals how it will dispose of each order on reconsideration. Each of those pending matters is identified below, along with the joint proposal of PUC Staff and CRRWC as to

how they should be resolved by the Commission on reconsideration in light of the changed circumstances following the Jefferson County Circuit Court proceedings involving CRRWC.

1. PUC Case No. UW 120, Order Nos. 08-177 and 08-243, Court of Appeals No. A138805 (the “disbursement orders”). The Commission issued two orders requiring CRRWC to disburse to its members \$130,656.26 from a special assessment fund collected for capital improvements. Those funds are currently being held by the Oregon State Treasury pending resolution of this matter.

In light of changed circumstances, including the change of management at CRRWC, PUC Staff and CRRWC recommend that the Commission vacate the disbursement orders and release the funds to CRRWC. If the Commission asserts jurisdiction over CRRWC, as the parties agree should occur, PUC Staff will oversee CRRWC’s plans for distribution or use of the funds and would initiate a new proceeding with the Commission if necessary to ensure a lawful and fair disposition of the funds.

2. PUC Case No. UCR 100, Order Nos. 08-379 and 08-383, Court of Appeals No. A139657 (the “customer hookup orders”). The Commission entered two orders requiring CRRWC to connect a certain property to the CRRWC water system in exchange for a payment of \$3,823, instead of the \$8,000 CRRWC sought to charge. The Commission, CRRWC and the property owners have entered into a side agreement for the resolution of this matter. Pursuant to that agreement, CRRWC connected the property to the water system in exchange for payment of \$3,823 in cash and the escrow

of \$4,177 with Wells Fargo. The distribution of the escrowed funds depended on the resolution of the legal disputes over CRRWC's corporate status and PUC jurisdiction.

As a result of the Jefferson County Circuit Court decision, counsel for CRRWC and PUC Staff are working with Wells Fargo to release the escrowed funds to the property owners, bringing a final resolution to this matter. If Wells Fargo distributes the funds by February 19, 2011, CRRWC and PUC Staff recommend that the Commission vacate the customer hook-up orders as moot. If that is not accomplished, CRRWC and PUC Staff recommend that the Commission affirm the customer hook-up orders, in which case CRRWC will dismiss its petition for judicial review of those orders and the parties will continue their efforts to obtain release of the escrowed funds to the property owners.

3. PUC Case Nos. UI 281 and UI 282, Order Nos. 08-347 and 08-353, Court of Appeals Nos. A139981 and A139982 (“affiliated interest orders”). These orders approved the affiliated interest applications of James Rooks and Jacquie Rooks. Because those individuals are no longer employed by CRRWC, PUC Staff and CRRWC recommend that the Commission vacate the affiliated interest orders as moot.

Finally, the parties also recommend that the Commission vacate an order that is not necessarily the subject of a petition for review before the Court of Appeals: Order No. 07-527 in UW 120 (the “rate order”). The Commission established rates for CRRWC services in that order. In light of the passage of time and the change of management since that order was entered, PUC Staff and CRRWC recommend that the rate order be vacated. If the Commission establishes jurisdiction over CRRWC in the pending

proceeding in WJ8, PUC Staff and CRRWC recommend that tariffs be filed and rate-setting proceedings held as necessary on a going forward basis as provided under applicable law.

Dated: February 11, 2011

HARRANG LONG GARY RUDNICK P.C.

By: s/ C. Robert Steringer
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Of Attorneys for Crooked River Ranch
Water Company

CERTIFICATE OF FILING AND SERVICE

I certify that on February 11, 2011, I filed the foregoing **JOINT PROPOSAL REGARDING MATTERS PENDING IN COURT OF APPEALS**, on the Public Utility Commission by email and first class mail, postage prepaid, addressed as follows:

Public Utility Commission of Oregon
Attn: Filing Center
P.O. Box 2148
Salem, OR 97308-2148
PUC.FilingCenter@state.or.us

I further certify that on February 11, 2011, I served copies of the foregoing **JOINT PROPOSAL REGARDING MATTERS PENDING IN COURT OF APPEALS** addressed to the following email addresses:

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I further certify that on February 11, 2011, I served copies of the foregoing **JOINT PROPOSAL REGARDING MATTERS PENDING IN COURT OF APPEALS** addressed to the following, via first class mail, postage prepaid, as follows:

G.T. & T.T.
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